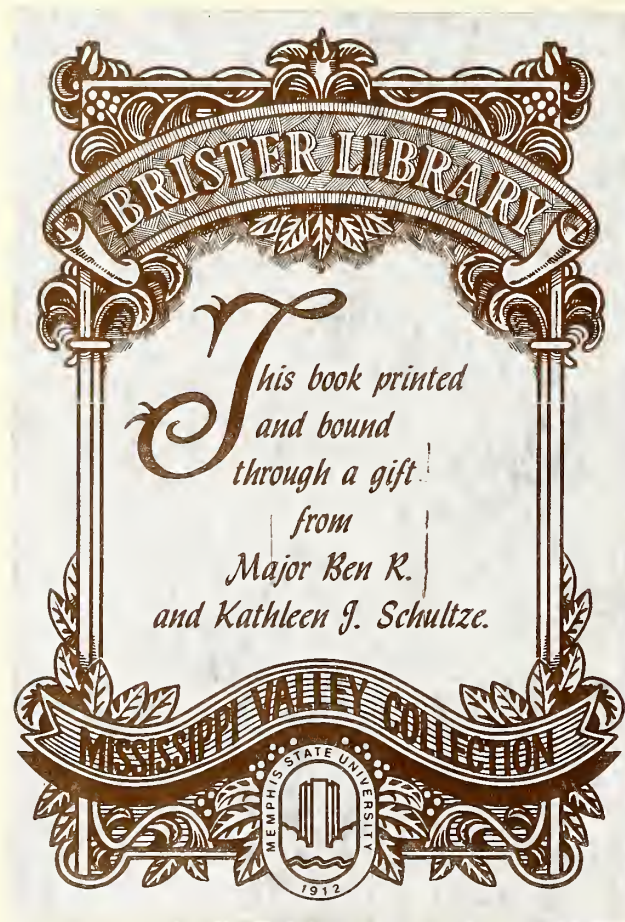


ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY
INTERVIEWS WITH
JULIAN GRANGER

BY - CHARLES W. CRAWFORD
TRANSCRIBER - BRENDA P. MEIER
ORAL HISTORY RESEARCH OFFICE
MEMPHIS STATE UNIVERSITY



26221860

OHT 7/17/92




**MEMPHIS STATE UNIVERSITY
LIBRARIES**

MVC
TC
425
T2
G72x
1972

UNIVERSITY OF MEMPHIS LIBRARIES



3 2109 00699 6608



Digitized by the Internet Archive
in 2012 with funding from
LYRASIS Members and Sloan Foundation

<http://archive.org/details/oralhistoryoften00gran>





ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY

INTERVIEWS WITH JULIAN GRANGER

APRIL 7, 1972

BY CHARLES W. CRAWFORD

TRANSCRIBER - BRENDA P. MEIER

ORAL HISTORY RESEARCH OFFICE

MEMPHIS STATE UNIVERSITY



MEMPHIS STATE UNIVERSITY
ORAL HISTORY RESEARCH OFFICE

I hereby release all right, title, or interest in and to all of my tape-recorded memoirs to the Mississippi Valley Archives of the John Willard Brister Library of Memphis State University and declare that they may be used without any restriction whatsoever and may be copyrighted and published by the said Archives, which also may assign said copyright and publication rights to serious research scholars.

PLACE Washington, D.C.

DATE Apr. 7, 1972

Julian F. Granger
(Interviewee) Julian F. GRANGER

Charles W. Crawford
(For the Mississippi Valley Archives
of the John Willard Brister Library
of Memphis State University)



THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY." THE PLACE IS WASHINGTON, D.C. THE DATE IS APRIL 7, 1972, AND THE INTERVIEW IS WITH MR. JULIAN GRANGER AT THE OFFICE OF SENATOR HAROLD HUGHES, THE NEW SENATE OFFICE BUILDING. THE INTERVIEW IS BY DR. CHARLES WH. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Mr. Granger, I suggest we start by getting some basic biographical information. You might start at the beginning and proceed chronologically to your first contact in the valley area.

MR. GRANGER: I was born in Norfolk, Virginia on July 28, 1923, one of three children. I was the youngest. I grew up there, went to school there, began my last year of high school as a part-time sports reporter on the Norfolk Ledger Dispatch, it was called then. After graduation I made a feeble attempt to begin a college education at what was then a division of the College of William and Mary. I later worked for the Norfolk Virginian Pilot as a general assignment reporter. I went to Richmond, Virginia as a sports reporter for the Richmond Times Dispatch.

I went into service in 1943 in the army; they started to make an engineer out of me at New Mexico A & M College, and that, too, was something of a failure. I went to Europe a couple of months after the invasion as a mechanized calvaryman, served in Europe in



the war north of Northern Europe until V-E Day and beyond. I was married to a British war-bride, came back to the United States, went back to the Richmond Times Dispatch briefly, became the first news editor at WTAR in Norfolk, Virginia--started there in May of 1946--and went to Atlanta in December of 1946. I worked for United Press, which is not United Press International, in Atlanta and then was transferred to the Knoxville, Tennessee bureau in the spring of 1948 and became Bureau Manager about a year or so later. Our coverage area was Eastern Tennessee, and of course, there began my association or my observation of TVA. Of course, the TVA headquarters was located there.

DR. CRAWFORD: So that was your first close observaiton of the Tennessee Valley Authority when you did go to Knoxville in the spring of 1948?

MR. GRANGER: Yes, I was aware of it, as I guess all Americans were.

DR. CRAWFORD: What impressions did you have of TVA before you went to Knoxville?

MR. GRANGER: It's hard to recollect those. I associated it with dams, I suppose, and river development. I grew up in a period of influence of FDR--grew up in a sort of democratic atmosphere. I went through the depression the hard way so that I was psychologically attuned to some of the things that I think gave rise to the TVA. I don't know that I had any firm feelings one way or the other about TVA--either feelings or knowledge, really, of TVA before I got to Knoxville.

DR. CRAWFORD: How did you cover TVA for UPI, or UP at that time? Did you make regular contacts or did you wait for things to happen?

MR. GRANGER: Well, I don't recall any particular story that would have brought me into contact with TVA except these visits of foreign dignitaries, perhaps, or people in the public eye. United Press is, of course, a world-wide organization and I do recall covering the then-Premier of Belgium, Paul Henri Spaak, on a visit to TVA.

DR. CRAWFORD: TVA had quite a collection of visitors, I know.

MR. GRANGER: Yes, I remember Queen Juliana's visit from Holland. And I remember particularly (this is nothing that happened to me, but happened to someone else). . . The United Press Bureau was located in the newsroom of the Knoxville News Sentinel, and there was a live-wire city editor there whom I really came to worship as a great newspaperman, Joe Levit, who has now retired as the city editor of the New Sentinel. Joe was a lively guy, and he liked to generate controversy and discussion and public issues. He assigned a woman, Sara booth Conroy, to cover Queen Juliana and she got the only exclusive interview with Queen Juliana by having the ingenuity to go to the bathroom at Norris Dam at the same time as Queen Juliana (Laughter) and got the weekly prize for the best story. We had a lot of jokes about her being a member of the "privy council." (Laughter) And there wer some other things like that; they wanted to title her story, "I Sat with Queen Juliana." I'm not sure that what she got was any great world-shaking news, but it was kind of fun. I was interesting to see the great number of visitors they brought there, and it gave (this is a personal opinion) opportunity to

kind of have some fun writing stories.

I forget who it was, but some leader from the Middle East . . . It wasn't King Hussein, but someone else who is a bald man. I remember I referred to him in one of my stories as having a "Yul Brynner haircut", and I was kind of proud of it. It seemed to be kind of descriptive. Then I remember when the now-deposed Queen of Greece was there with her daughter and husband, and a reporter for the News Sentinel (I think I was on the News Sentinel at that time.) tried to arrange a date with the daughter of the Queen, but didn't get anywhere, but it made a kind of interesting story. Other little tidbits about some of the protocol arrangements that were kind of hilarious that we would sneak a copy of, like "The Queen doesn't smoke, but she likes 'this' and doesn't like 'that'" and many of these kinds of things made interesting stories. Do you want to pursue this subject of visitors?

DR. CRAWFORD: Yes, let's get into this a bit further.

MR. GRANGER: All right. The President of South Viet Nam came there, Ngo Dinh Diem. I think he was one of the last visitors I covered, and, of course, the Viet Nam thing hadn't blown up at that time to any kind of proportion since it has since that time. I remember we were out on a demonstration farm that TVA had taken him to, and I remember he walked down the hill in his double-breasted suit (it was a day in May or a rather warmish day), and he had his black homburg on, or maybe he was wearing a summer suit. Anyway, it was double-breasted--he was very spiffy looking,

and I remember he walked back up the hill holding the hands of two children. Later accounts of Ngo Dinh Diem, when he really got into the news, pictured him as a man who was unconcerned about cruelty against the Buddhists and South Viet Nam, and I've always had that to contrast with my own impression of him walking up the hill with those children of his own. These are just incidental memories from some of my times of coverage with the TVA.

DR. CRAWFORD: TVA had a very good press, generally, and certainly had a lot of attraction to people outside of the United States, perhaps better impressions there often than in America, I know. A rather steady stream of foreign visitors were appearing through the thirties, forties, fifties, and still go--perhaps not as much. What other contacts did you have with TVA during the early period?

MR. GRANGER: I don't recall too many that I got involved with until about the mid-fifties. I recall that's when there was a shifting of assignments and I was given TVA as an assignment. Prior to this TVA had been largely covered by Carson Brewer, who is very interested in TVA. This was after I joined the Knoxville News-Sintanel, which was in February of 1953, and this would have been somewhere in the '54-'55 period, I think. I remember doing an exhaustive interview with Mr. Clapp, who was the long-time chairman of TVA, and I'm having a hard time trying to remember his first name... Gordon, Gordon Clapp. And it was a funny period. This was also the

period of McCarthyism.

DR. CRAWFORD: That was early fifties, I suppose?

MR. GRANGER: Yes, but the atmosphere was still there, and I'm getting into my own feelings now. I remember, you know, assessing right wing against left wing, and socialism against whatever the other extreme may be--conscious of the attacks on TVA as a socialistic enterprise. I remember having this long, long interview with Gordon Clapp, which really went into several interviews, and sat down and wrote a story about this. It went into eighteen double-spaced pages, which was the longest story that I had ever written up to that time.

DR. CRAWFORD: Do you remember about what year? Would that have been before the Eisenhower election?

MR. GRANGER: Oh, I'm sure it was after the Eisenhower election because I remember the interview was "The Gordon Clapp Swan Song Interview" as far as I was concerned and the News Sentinel was concerned. We tried to go back into much of the history of TVA and the philosophy of TVA, and I'm sure running through the whole thing was the hope of the TVA concept as it was begun and as it was developed through the Lilienthal years and Clapp years, and was it going to be preserved. There was this feeling, I think, that with the change-over, with the Eisenhower administration, that there may be some in-roads against this concept--the chipping away of TVA--and some of these fears, at least on behalf of the advocates of TVA, were certainly realized with the Dixon-Yates thing that came later.

DR. CRAWFORD: Was this published in the Knoxville News Sentinel?

MR. GRANGER: Yes, it was, and it was a long story.

DR. CRAWFORD: Perhaps about 1953?

MR. GRANGER: It may have been. It was just, I think, within a few months or maybe a few weeks before Clapp left office.

DR. CRAWFORD: Do you remember if you had a by-line?

MR. GRANGER: Yes, it was a by-line story, so it shouldn't be difficult to find.

DR. CRAWFORD: Yes.

MR. GRANGER: I can't even remember now all the things we talked about.

DR. CRAWFORD: Dr. you remember what impressions that you had of Gordon Clapp as a man, as a leader, as an executive?

MR. GRANGER: Oh, I think his philosophy has been the guide for TVA. He was respected by the people who worked in TVA. There was a great esprit in TVA. Having been to Washington, I have been able to see bureaucracies develop and crumble, and so forth. And I've seen agencies develop you know, to where it has a good purpose and everybody who gets into it has great dedication to that purpose, and then the secondary things begin to take hold. The preservation of the institution itself becomes the primary goal, and in the course of that, sometimes the original objectives get lost in the process.

DR. CRAWFORD: People are simply protecting position after a while.

MR. GRANGER: Exactly, and I think the Peace Corps is perhaps

a good example of this from what I have seen here in Washington.

DR. CRAWFORD: I thought of that while you were speaking, and I wondered if you might think of TVA as the Peace Corps of the '30's or of some early period?

MR. GRANGER: Yes, and I guess the point that I was coming to was that TVA was unusual, and this may be a biased conclusion. I don't think so because I think that I tried to look at TVA as objectively as anyone, but TVA seemed to preserve the original purposes as well as any agency--perhaps the best of any agency that I have ever seen operate.

DR. CRAWFORD: I wanted to ask you about that because I know you've seen quite a number of government agencies over a period of time. Do you really feel that TVA had superior esprit de corps, even in the fifties?

MR. GRANGER: Yes, I do, I think it's demonstrated by some of the things I heard and saw in TVA. There was certainly a feeling on the part of the people who were in TVA that they were going to preserve this concept. They felt a real threat with the Eisenhower change-over. I can remember General Vogel being nominated and taking over the position, and he was going to be watched very, very carefully. There was some suspicion that he was the hatchet-man to Eisenhower, and that term was batted around; that he was going to come in and dismember TVA. There was some talk at one time that he was going to expand the Board of Directors, or wanted to try to expand the Board of Directors. This was looked upon with suspicion,

sort of like the court-packing plan.

DR. CRAWFORD: Yes, I guess so---expand in order to get a majority.

MR. GRANGER: Right, or he was going to structure the thing in a different way; I forget. But at that time, I think when he came in, he was in the minority. Dr. Harry Curtis was still on the board; I forget who the other member was. I think he was the former chancellor of the university system of Georgia who had come up and later died of a heart attack while mowing his lawn one night--a white-haired, handsome gentleman--but I believe when Vogel came in, he was in the minority. Then the Eisenhower administration, so to speak, got the majority on the board, I think, with the death of this man. . . I can't remember his name, but anyway Mr. Jones became. . .

DR. CRAWFORD: A. R. Jones.

MR. GRANGER: A. R. Jones, right. And Mr. Jones was then viewed with great suspicion because he had been in the Bureau of the Budget, and I can't recall if this was after the Dixon-Yates controversy or not.

DR. CRAWFORD: I believe his appointment was after Dixon-Yates broke.

MR. GRANGER: I believe it was because he was suspected to have helped draft the Dixon-Yates plan, having been in the Bureau of the Budget.

DR. CRAWFORD: I think the Bureau of the Budget was viewed by many TVA staff members as a traditional enemy anyway.

MR. GRANGER: Right. I remember the first real controversy that developed within TVA during the time that I was covering it--began to cover it for the News Sentinel--was the necessity to build steam plants. The hydro-electric supply was fast running out, or had run out, contrary to the original predictions. This I do remember from the Calpp interview; that when TVA had started and they had put some extra slots in the dam for installing turbine generators. People thought, "Well, gee whiz, you don't need this many in Norris Dam. Demand isn't going to catch up that quickly." It caught up more quickly than anybody suspected.

DR. CRAWFORD: I think all the estimates of power use have been consistently under concerning TVA.

MR. GRANGER: Yes. As I recall, the issue turned on whether the revenues from the power operation could be used, without further congressional authority, to build steam plants and that was a big hassle. The center of that was here in Washington in Congress, and I forget how TVA won that--but they won it! It may have been on a vote, but that principle was recognized. So TVA had at least that thing to stand on to begin getting further and further into the steam generation. And then I remember, too, that the TVA, as it got further into this steam generating business, was advancing technology in operating a steam plant. At the time it went into operation, the Kingston Steam Plant, at that time was the largest in the world. I remember seeing the insides of those huge furnaces with the coal having been conveyed by great conveyors, then being ground up

into almost face powder consistency and being blown--actually blasted into the furnaces.

DR. CRAWFORD: It ignited then, I believe.

MR. GRANGER: Right, it ignited almost instantly. I'm trying to remember when the Dixon-Yates thing really began. I didn't have too much, really, to do with that, or to report on it or anything else. As I think I may have said in the beginning, the power thing intrigued me as much as anything about TVA. I was aware, of course, of the great overall controversy between public power and private power. I remember a map that TVA put out showing the TVA area, and it was really a map of the United States, and concentric circles around the TVA area--the hub was around it. As you went farther out, the power rates grew larger and larger, the greater the geographical distance from the TVA area. Conversely, the nearer you got to the TVA area, the more the rates came down--nearer to the TVA rate--and the point of all this, of course, is that this is having, apparently, some influence in keeping private rates down.

DR. CRAWFORD: In this way, it was a yardstick, I suppose.

MR. GRANGER: That was the yardstick concept. Yes the yardstick; that was the common term. And, you know, this is the kind of thing you need where you have a monopoly situation, I guess. You don't mind if I philosophize here and there, do you?

DR. CRAWFORD: I appreciate it.

MR. GRANGER: You know, you see it with any franchised agen-

cy that has a monopoly, and you think about this with the telephone company. To all intents and purposes we have one telephone company in this country; it's privately owned, or be it by lots of shareholders. AT&T will tell you they consist mostly of widows. (Laughter)

DR. CRAWFORD: And orphans.

MR. GRANGER: And orphans. But in any case, we have no yardstick to compare. All the yardsticks are inferior, I believe, having traveled some around the world--inferior to ours. But we have no yardstick on any other side of it. What would happen if we had a TVA telephone company? Would it be able to force AT&T's rates down? You know, hopefully it would, but we don't know so they are left with that advantage.

DR. CRAWFORD: An interesting concept, and one that I've never heard expressed before. You were convinced, then, of TVA's value as a yardstick for the measurement of the production of electric power?

MR. GRANGER: Yes, I was convinced of that. No question about it, and I was fully convinced of another thing. And this probably took me a longer time to be convinced of: that the critics of TVA are always saying, "Oh, well, this is something subsidized by the tax payers," and I think it was in the interview with Clapp that I first realized, or had it said to me, that, "Look, we're not only paying off everything that the tax payers have put into the power system, even some things that without the power element involved, such as resource development, are still

taken into account in figuring what we owe the government back. But we are not only paying everything back, but at the end of the forty-year amortization period the tax payers will still own it, and on top of that, paying a dividend." Now whether this still applies, I haven't been in the valley for sometime, but I would imagine that this principle still applies.

DR. CRAWFORD: Yes, I think the financial situation is about the same. TVA, of course, when you were there, did get bonding authority for their construction programs, but other than that I think the financial situation has not changed a great deal.

MR. GRANGER: Yes, I remember a bonding plan was developed by Mr. A. R. Jones. I think he had a great deal to do with it. This was viewed a little bit with suspicion, but I think that, again in the words of my revered city editor, Joe Levit, you know, there comes a point when Congress will not stand for continually putting money forward--even for this--so, in effect, I suppose the argument was lost. The tax payers get back what they pay, and so they felt that you had to go to the public money market or private money--the commercial money market--to get money. And it was interesting, of course, that the first bonds I recall had a top rating--AA or AAA, or whatever they call it. It had a top rating and it sold at a very good interest rate--good in the sense it was favorable to TVA.

And at this point I think TVA was getting very cost-conscious too, as the steam plants got larger, as the demand for coal got greater, and so forth, they were trying to shave costs through efficiency

and through technical efficiency, engineering, and everything that goes into efficiency. They were trying to shave the price of coal down, and this gave rise to the trip mining effort. I'd like to come back to that later because I think there's an aspect there that Senator Kefauver was involved in that. . . . The point, I guess I'm trying to make is that there was this great drive to keep costs down, and to some extent the objective of TVA was lost in the process, and TVA had to be shaken up a little bit by the late and great Senator Kefauver, who helped shake them up on this.

But anyway one of the factors on the cost (and now I'm getting into the thing that I became intimately involved with) was the costs of components of the steam plant and the turbo generators, the cost of transformers that were necessary for an expanding system. I can't remember all the other components that are involved, but this was beginning to worry TVA some, and the controversy that began to develop then was developed out of TVA's decision to go abroad to seek turbo generators, heavy transformers, and other electrical equipment that could be produced by Switzerland. Roundbovery, I remember, was one company that was involved. There was a British company that was involved, when this happened, this caused a rather good size explosion on the part of the manufactureres of this heavy equipment, and this country led, I believe, by Allis-Chalmers. Their association or group, or whatever, was objecting to this kind of approach and they were raising all sorts of questions: "Why don't you buy American?"

and so on, and the usual arguments that you hear when you go abroad. Well, this was a healthy thing because here again TVA was exercising its yardstick power and bringing a new yardstick into play.

It was interesting that, despite all of the requirements of the Buy American Act, where you have to pile on six percent and twelve percent, depending on whether you are taking the business away from a low or a high employment area; then you have to pay other costs, and there were section costs and this kind of thing. Despite all that, the foreign equipment was substantially below that of the cost of a comparable piece of equipment from an American manufacturer.

DR. CRAWFORD: Was this before your investigation into the electrical conspiracy project?

MR. GRANGER: Yes, it was the treshold in my opinion because

I don't know this, but I think it was there that the suspicion must have begun within TVA that, "Hey, there's something wrong here," and although they were not dealing with what you might call shelf items, in terms of huge turbo-generators which are really custom-built jobs, I think the fact that the cost was so high must have aroused some suspicion in TVA that something was amiss. And I don't know what went on internally in TVA about how this should be attacked, but I do know how it came to my attention. I think TVA often thought about the way this must have been engineered, but the first public inkling that something was amiss was a weekly press release TVA put out. Let me find the date of that. By the way, I'm

going to be referring here, just for the record, to a book entitled The Gentlemen Conspirators by John G. Fuller.

DR. CRAWFORD: Will you give complete data: company, and publication date?

MR. GRANGER: Yes. The Gentlemen Conspirators by John G. Fuller, subtitled The Story of Price Fixes in the Electrical Industry; published by Grove Press, Incorporated; published by Grove Press, Incorporated; copyright 1962 by Grove Press; first printing 1962 Library of Congress Catalog number 62-9778; and the date on which this book came to my attention was on Saturday, May 9, 1959 at approximately 2:30 in the afternoon.

DR. CRAWFORD: That is specific.

MR. GRANGER: That is specific, yes; assuming that I was on time for work that day at the News Sentinel.

TVA published, and they still publish, for the use of newspapers a weekly news handout, which didn't particularly have any sensational news in it.

DR. CRAWFORD: They still do?

MR. GRANGER: They still do, yes. You know, it gives the rainfall predictions, or how much rain has fallen in the Valley, what the highs and lows of the dam levels may be, whether they were on schedule or not on schedule--these kinds of things--and there are tidbits about awards of contracts and so on. I got in the office; I was on night shift, and this was Saturday night, and these handouts usually arrived on Saturday and were put in my box.

As usual, it was for release the following Wednesday; I think it was for p.m. release, so therefore we would get the first crack at it, the News Sentinel being an afternoon paper. I was reading on through it and I came across this item about an award, I believe, for transformers. I'm reading now from the Fuller book, on page nine.

"Other contracts announced today, said the lifeless copy, were ITE Circuit Breaker Company Auxiliary Power Unit Substation, \$208,350," and the list continued, reading as interestingly as the Bronx telephone directory: "General Electric, Allied Chemical, Westinghouse," and so forth, but then on a single comment, almost smothered in the welter of figures and dollar signs and tossed into a set of parentheses caught Granger's eye. "on this bidding," said the parenthetical phrase, referring to the contract award, "to Westinghouse for transformers for \$96,760, Allis Chalmers, General Electric, and Pennsylvania Transformer quoted identical prices of \$112,712." And of course, the book goes on to explain why it caught my attention because I couldn't see how three companies could hit on the same price, identical to the penny, on a sealed bidding that presumably nobody knows what the other guy's bidding on until they open all the bids.

So I thought about it a minute and I didn't know quite what was going on, but I knew something was wrong, and TVA was trying to say something here. So I believe I called Red Wagner, who was the TVA General Manager at that time, and he was doing something on Saturday afternoon--painting his basement or out mowing the lawn. He came to

the phone and talked to me, and I asked him about this, and the impression I remember was that he had sort of been waiting for a call perhaps, or, you know, he knew about it. He suggested that I get together with Paul Evans, who was TVA Information Director, on Monday and they would try to give me anything that I needed to help understand this crazy situation.

I did; I went down to see Evans, and of course, all the TVA procurement was at that time (it may still be) at Chattanooga, and so I arranged to go down there, I think, the following day--Tuesday. No, that wasn't it. I remember getting enough on the telephone to write a fairly sensible story on this thing; the theme was fairly simple. I tried to explain that this kind of thing was going on; then I went down to Chattanooga after this and began combing through some of their records. The surprising thing that hit me was that there had been identical bidding, not only on electrical equipment, but on so many, many other things that TVA purchased--industrial salt, for example; all sorts of steel components--components made of steel; just a vast number of things.

I talked to the TVA procurement people down there and said, "You know, it's funny how we've all been lulled, in a way, about this thing, just as we are when we are when we buy a pack of cigarettes. We like a particular brand, but if we didn't like that brand, we would go to something else, but we find that these are all the same price--35¢ a pack or whatever that pack price was. Or you go into a filling station

and his price doesn't differ from the price of the man down the street, and you don't object to this. You just go on, you know, rather compliant with this kind of system." But I think it was a cost consciousness thing that must have driven TVA to begin to wonder about these things. In any event, a whole series of stories flowed out of TVA as a result of this, having to do with the costs of items that they were buying. But the impact didn't begin to really tell for about a week or two later; other papers began to pick it up and began to get interested. From then on, it began to mushroom. It's like this is the spring of 1962; it's not unlike what is happening today with the ITT thing. One piece of paper has given rise to looking into the whole. . . What Charles Wright, in The Greening of America, calls "the corporate state".

DR. CRAWFORD: Yes.

MR. GRANGER: And this was very much a function of the corporate state, the more I think about it.

DR. CRAWFORD: About your discovery of this, had you received no advance notice privately, or any other way, from any member of TVA? You just noticed it from the handout?

MR. GRANGER: No, I had not. My suspicion was, and I don't know if I ever verified it. I tried to verify it; it really didn't make much difference: whether they had planned to put this out?

DR. CRAWFORD: Whether someone was trying to tell you something?

MR. GRANGER: You know, trying to put up a smoke signal. I think I maybe discussed it informally with General Vogel later on, and I've got this to say about that: You know, General Vogel had come in under a real cloud of suspicion by the TVA advocates, and you know, as his sponsor was the so-called big business administration, and yet he would have had to give his blessing to this kind of exposure or this kind of disclosure, and did. And I think he did it purely out of his own sense of integrity, and what is right, and so on. And I must say, I think TVA and the American people owe a great debt to him on this. Now, maybe some of his other proposals were controversial, but certainly was within the best interest of TVA and the people of the Valley and the people of the country.

DR. CRAWFORD: That release came, I believe, from Paul Evans' office, didn't it?

MR. GRANGER: Right.

DR. CRAWFORD: Did no other newspaper reporter, so far as you know, or editor, see the significance of it?

MR. GRANGER: I don't believe they did, and I was scared to death, in the time intervening Saturday, May 9th, and the following Wednesday, that somebody was going to jump on this because I wanted this story. But I was embargoed just by that release term. But it gave me a little time to get into the thing and to begin to see what

some of the problems were.

DR. CRAWFORD: You found the electrical conspiracy case, when you followed it, involving Allis Chalmers, General Electric, and a few other large companies. In looking into this, into the purchasing situation in TVA, did you find this was going on extensively?

MR. GRANGER: Yes, I remember I had plenty of grist for the type-writer mill. In fact, I did do a series of stories on all sorts of contracts and they were subsequently in the News Sentinel. It's a funny thing; I don't think any of us really understood the impact of this thing. My paper--the first story on this was played back on page one of the second section--given a rather prominent position--but when you think what it developed into, (laughter) it probably should have been page one.

DR. CRAWFORD: But did you find in digging into this that anyone in TVA had been aware of this conspiracy before or had suspected it?

MR. GRANGER: No, I don't know about a conspiracy; whether they had been aware of a conspiracy. I think they were aware that, you know, this was going on and it needed to be stopped. Wait a minute, there was something and I think one of the subsequent stories told about this, was that some House Committee a few years previous had been asking TVA to send them copies of all their biddings

on procurements--perhaps just major ones--and their contracts that had been written, and then this House Committee had lost interest in the thing. I think the focus was on identical bidding, but nothing came of it, and I think this is recounted in one of my stories. But I do know the News Sentinel had a crusading flair at least the time I was there, and the more we realized what we had the more they were willing to get some things generated on this.

Senator Kefauver was then chairman of the Subcommittee on Anti-trust and Monopoly of the Senate Judiciary Committee of the United States Senate, and this seemed like it was tailor-made for him because there certainly were anti-trust questions involved. The News Sentinel's Washington correspondent, Milton Britten, took clippings of our stories, and went to Senator Kefauver, and as a result of this the senator announced that he would hold hearings in Knoxville. I think they were announced in June and he was going to hold them in the summer. This would have been the summer of 1959. Subsequent to his announcement of the hearings, but prior to the actual holdings of the hearings in Knoxville, the Justice Department in Washington announced that a grand jury was being impaneled in Philadelphia to look into some of these things.

DR. CRAWFORD: May I ask why Philadelphia?

MR. GRANGER: Philadelphia, I think, because I believe it was General Electric, or perhaps Westinghouse, that

had a major plant there manufacturing some of these things that were under suspicion, and I believe that was the reason for the selection of that site. Now, I think here began really the collection of the evidence of conspiracy. Keep in mind that that was my own suspicion that there had been a conspiracy. A newspaper doesn't have the opportunity to subpoena witnesses or really to dig into criminal things as well as the government agencies. And this may be a rationalization, but in any case we didn't--to go into this thing to develop criminal evidence. But the main thing we did, I think, was to generate enough activity on the part of people who did have that power--Kefauver, the subcommittee, and the Justice Department--to get some things moving. And things did begin to move. Senator Kefauver held some hearings in Knoxville, and I think it was there that the first element of what was called the phase of the moon game was revealed, the idea being, as I recall it, that these manufacturers or their sales agents would get together and decide that they would fix a standard floor--fix a standard price that several of them would bid--and then one would rock out on the phase of the moon and drop below that, and he would, of course, get the contract. Then this would be passed around with every new bidding, and apparently this was proved later on.

DR. CRAWFORD: By checking back on the pattern of contracts and awards?

MR. GRANGER: Right, and that came out in the hearings. I re-

call, too, that we were getting into all facets of this thing. There had been identical bidding on just simple meters that are put up on people's homes to meter the amount of electricity they use, and there was a strange pattern of identical bidding on those. At those hearings that Senator Kefauver held in Knoxville, I remember there were representatives from various local utility boards; that is, the people who sell retail electricity, so to speak, coming in with testimony that they, too, had been victimized by this thing. So it was carried on right down the line. The guy who was paying the bill was the ultimate consumer, and so as an upshot of all of this--the hearings and the grand jury--there were indictments handed down against companies and individuals in Philadelphia that spanned a number of months. It went on in, as I remember, the 1960's. And the really dramatic thing that happened was that seven executives of some of these companies (I believe it was seven) went to jail for thirty days each. One or two may have been sentenced and gotten out for health reasons.

DR. CRAWFORD: Do you know what happened to them afterwards? It's not too material, but I've often wondered.

MR. GRANGER: One or two of them landed pretty good jobs with other companies. I believe some of the background of these people and what happened to them is detailed in Mr. Fuller's book. These were pillars of the community and this is what made the

story, as far as they were concerned--you know, vestrymen of churches--but rather high paid individuals, even at what you might call the middle corporate level of sales people and this kind of thing. I remember the testimony of some of these people; they were paid in the neighborhood of \$25,000, which was quite a bit of change in those days. Then, of course, subsequent to the indictments, to the convictions, the fines, and so on, Senator Kefauver held other hearings after his reelection in May. I might say as a personal parenthetical reference, that I had been wanting to come to Washington for a long time, and long before this whole thing developed I had asked Senator Kefauver to see if he could find a job for me on his staff. In May of 1960 he was preparing for what turned out to be his final reelection campaign and asked me to join him as his publicity director and press man. I did, with the idea that if he was reelected that I would go to work for him in Washington, and he was reelected and I did come to work for him in Washington. I was on the staff of his anti-trust subcommittee and I got into some of the aftermath of the committee investigations. It was, as the Fuller book relates: "I found another conspiracy. This did not, so far as I know, involve TVA, but was a conspiracy in electrical motors." In fact, not only found one conspiracy, but there were documented about twenty meetings, as I recall--people who were selling electric motors. They were meeting first in the Buffalo Athletic Club and then various airport motels, and we proved all

this through comparison of their expense accounts, and so it was just plain gumshoe work. But here I had an opportunity to really do some gumshoe work.

DR. CRAWFORD: With authority which you had lacked on the Knoxville News Sentinel.

MR. GRANGER: Right, to subpoena documents and witnesses and so on.

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY." THE PLACE IS WASHINGTON, D. C. THE DATE IS APRIL 7, 1972, AND THIS IS INTERVIEW NUMBER TWO WITH MR. JULIAN GRANGER. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Mr. Granger, we were dealing last time with some of the things that developed from your discovery of the prices quoted to TVA in 1959 after you left Knoxville to go to Washington, where you continued similar work. And I think it would be well to get into that further now.

MR. GRANGER: All right. I think the thing to point out here if I haven't already implied it is that this one thing with TVA involving price fixing gave rise to just a proliferation from that point on and for several years after that of investigation by the Justice Department and by local government bodies, local people who felt they were damaged by price fixing in many, many areas. I can't remember, but I can remember picking up the paper up here and seeing that there were new indictments in this area or in this industry or in that industry, and the people became very price-fixing conscious. One outgrowth was a number of civil damage suits that were brought. People who felt they had been damaged very much by this, as I've pointed out,

were the local utility people, the people who retail the electricity to customers. And this is not only in the TVA area, but in private utility areas as well. They felt that they had been put upon and so they filed what is known as Trouble Damage Suits, where they can collect triple the amount of the actual damage of the prices haveing been fixed. This was where they were really moving in on these. The anti-trust laws don't carry all that strong a penalty. One offense, maximum I think at that time, was \$50,000 fine, and I forget what the criminal penalties were as far as an individual was concerned. But this is evidenced by the fact that the most given in the Philadelphia case was thirty days. That's not very much. It doesn't have a great impact.

And then I recall, too, that Senator Kefauver was very upset about this, and here again we get the pendulum swinging--the pendulum for power, so to speak, swinging back. The Internal Revenue Service made a ruling that all these fines and all these damages (I believe this is correct) could be written off as a business expense, which is just anathema to any, I think, reasonable thinking person! Here again, you know, the company commits a sin, it pays a fine then it can write it off and the taxpayer, the consumer of electricity, is required to pay half of that fine. It just doesn't make much sense, but this is the way the system operates sometimes. So those were some results of this thing. I don't recall that in the electric motor conspiracy that there were any indictments

or anything flowed out of that. We were then into the Kennedy administration and there's just a part here to give you the impression on that.

You may recall President Kennedy was very upset about the price rise in the steel industry and ordered a rollback, and somehow he got burned on this. The business community just really began to get upset about this, and he pulled his horns in. And I think it was as a result of this that they laid off some indictments where indictments certainly were indicated, or some criminal action was indicated, because the anti-trust committee was in no position to indict anybody. In fact, Senator Kefauver certainly didn't want to have a man come up and have to incriminate himself before his committee, although we had the goods right there. So there was this kind of jockeying back and forth going on.

My next real close association with TVA, or my awareness with TVA from this long distance, came about 1962. That was a campaign year, of course, and as was his habit, Senator Kefauver went around the country campaigning in behalf of democratic candidates, and I remember we went to Tennessee and went to Oak Ridge. There was a campaign breakfast there, I think, by the local democratic organization, and we were leaving about nine o'clock or nine-thirty in the morning and were accompanied by Senator Kefauver's local supporters and local leaders, Bill Wilson, an attorney from Knoxville, was among them, and as we walked out to the car, Bill called the Senators attention to a ridge which I think was in

Anderson County where there had been some strip mining. You could see from that distance the great gouges that had been made in the land and how the strip mining was really eroding the land, and this kind of thing. Bill was very concerned about this and he persuaded. . . no, I don't think I'll say persuaded, he certainly influenced Senator Kefauver's attention to this problem. When we got back to Washington, the more we thought about it, the more we realized that this could have been a function, and probably was, of the TVA cost-consciousness thing. TVA, that is, was buying mainly low-grade coal; not high-grade coal or coal that was deeply mined coal. A lot of the deep mines in the eastern Tennessee region, and I guess in the eastern Kentucky region have just been mined out, from a deep mine standpoint. It was too costly; strip mining was coming along. It didn't take as many people and it was much less costly to strip mine. The problem was that all these strip miners, and a lot of strip mining companies were growing up at that time. I remember particularly in Anderson County and Morgan County, and had been--even before I left Knoxville--and now I believe TVA was getting coal out of mines as far away as Illinois and so on. Then there was the mining that was done in Kentucky at the Fulton Steam Plant, I believe, or the large one in western Kentucky, and so this was a big business. The problem was that the people who were mining this coal, strip mining this coal, weren't putting the land back. And we concocted the idea up here that TVA should

place a requirement in their contracts that when land is stripped for coal, then the strip miner has a responsibility to put it back if he's going to sell coal to TVA.

DR. CRAWFORD: About what year was this?

MR. GRANGER: This would have been about 1962, '63--in that period.

 The ecology thing at that time had not begun to blossom as it did in the late sixties. I think there were little pockets of awareness of pollution at that time. I can remember my managing editor on the News Sentinel, who is an avid boater and fisherman, being very concerned at that time, even prior to 1960, about the pollution of the Tennessee River, mainly from plants that are located along the French Broad and Holston Rivers. You've got both or at least one of those--pollution from plants making synthetic fabrics because they use an awful lot of water and they pour their . . . and of course, there's a lot of sewage going in as well. So there were little pockets of thinking about the environment at that time, and of course, there always has been, but this is in the areas that we are thinking of today--the rivers and the land and so on. If I recall, the TVA management, the people we were addressing this problem to, were resistant to the idea that they should require the contractors to put it back. One consideration may have been (I don't recall exactly) the higher cost that this would be.

DR. CRAWFORD: I would expect that it would. Do you remember

what TVA staff members you dealt with then?

MR. GRANGER: I didn't directly deal with it. I guess I was sort of the generator of the idea, and the man on Senator Kefauver's staff, George Glenn Miller from Chattanooga, picked up this ball and carried it. I remember he was a legislative assistant to Senator Kefauver. He picked up the ball in this thing and carried it. I was involved in some other things, and I didn't get directly involved in it, but I was pushing it every chance I got. But one of the arguments made against it was that, well, this was a thing that had to do with the state, a state matter, and this has to be done through the legislator. I do recall having covered the legislature in Tennessee from a period of about 1955 until 1959, but there had been some efforts to control strip mining or at least to curb some of the disadvantages or some of the damages done. These had always been rather beaten down, so I knew from that experience, from experience that a former Governor in Ohio had had trying to get this done . . . He was rather ecology minded. I can't remember his name, but he was a Republican governor (I do remember that) and he became a United States senator. It was a Republican governor. He had been a Republican governor and he became a United States senator, and he was in the Senate at that time, and he had been trying to push on this thing. Not necessarily from the TVA standpoint, but because I think there were some problems that had originated in his own state of

Ohio. So he was pushing against strip mining damage.

Well, anyway, as I recall, TVA eventually consented to this idea, found out that they could do it, that it was perfectly legal to require this. Our point was this: Here was TVA whose reason for being was to develop resources, and it seemed almost preposterous that they would condone or tolerate the fact that one of their contractors was tearing up the land, all be it to serve another purpose.

DR. CRAWFORD: Diminishing natural resources?

MR. GRANGER: Exactly.

DR. CRAWFORD: In cooperation with TVA?

MR. GRANGER: Right. You know, when you tear up a piece of land and don't put it back, you are not developing that resource; you are destroying it. So that was the issue, and the irony was that Senator Kefauver had always been a strong supporter of TVA, and here he was taking issue with them. But I think he was absolutely right and I think TVA saw this, at least to that extent they saw it, and recognized it, and did make changes. Now whether they have been effective, I don't know. I have not monitored to see whether it's been effective or not.

DR. CRAWFORD: Many critics of TVA would maintain they have not gone far enough. Of course, TVA's position is that they have been pioneers in what they have done in this, so it's still a matter of controversy, I suppose.

May we get into the attitudes of Senator Kefauver toward TVA and his relations with TVA? This was the first disagreement that he had had so far as you know, with TVA?

MR. GRANGER: I don't know whether it was his first one. It was the first one that I was aware of, but, you know, it wasn't a knock-down, drag-out type of thing. He was dealing with a friend and then the agency, but it was a worthwhile thing. He had always been the friend of TVA, not only from the beginning, but spoke well of it and carried the TVA message wherever he went, I think. But also he was their advocate and friend up here. I believe that prior to the appointment of General Vogel, there had been an effort to nominate (maybe you can help me on this) a former admiral as TVA chairman. I believe this was correct.

DR. CRAWFORD: Was he the one . . .

MR. GRANGER: Admiral Strauss.

DR. CRAWFORD: Louis Strauss, I believe.

MR. GRANGER: Right. And Senator Kefauver and I believe Senator Gore certainly joined him. Maybe he was scared of it, but I believe--I'm not sure about that now. But I know Senator Kefauver spearheaded the fight against Strauss and stopped that appointment, or at least he was not confirmed by the Senate. I believe I'm correct in that.

DR. CRAWFORD: Yes, I think he did go to the Atomic Energy Commission, General Vogel, then to TVA, and there were some reporters that felt there was a connection between the two men. And General Vogel later had a meeting which, according to his explanation, was for perfectly good purposes, with Strauss.

MR. GRANGER: I believe there was the old Dixon-Yates ghost, though, that arose in this one too. Strauss somehow had had some connection with the Dixon-Yates thing from the standpoint of the government pushing for the Dixon-Yates contract, and that was bought out.

DR. CRAWFORD: The Atomic Energy Commission, I think, demanded the increased power, or one of their installations perhaps felt that Dixon-Yates would be the best supplier, at least argued that point.

MR. GRANGER: Yes, that was it, and there was to be a new steam plant built north of Memphis. It was to be built, I recall, by this private group headed by Dixon and Yates. And as I was mentioning to you earlier, I've often thought how Senator Kefauver, were he alive today, would have reacted to the new arrangement whereby TVA, Commonwealth Edison, a private utility based in Chicago I think, and the Atomic Energy Commission--how he would have reacted to that arrangement in light of his experience in the Dixon-Yates matter. I

don't know enough about that to know whether they were even analogous, but my own suspicion suggested that it ought to be looked into.

DR. CRAWFORD: If there were some young reporter on the Knoxville News Sentinel at this time, he might find something.

MR. GRANGER: I don't recall anything at the moment about Senator Kefauver's relationship with TVA. I know it was a good one, and it was a solid one, and I know he was looked upon as the friend, and to a great extent the savior, the latter-day savior, of TVA in many respects and fought their battles up there for them.

DR. CRAWFORD: Do you know how closely he maintained contact with TVA? Did he work with the Washington office of TVA, Marguerite Owen or any other people here?

MR. GRANGER: Well, we were in contact quite often with Marguerite Owen and I'm sure that she saw him at functions or in his office, but I don't know. I don't really have any memory of any of that.

DR. CRAWFORD: I believe he's known in TVA and in the state as one of TVA's real supporters.

MR. GRANGER: Oh, yes, there's no question about it. You had to be a supporter of TVA or you just wouldn't get elected. You can see what happened to . . . Who was it who wanted to sell TVA? I think it was Goldwater in 1964, and he got trampled on because of that.

DR. CRAWFORD: Were you acquainted with the efforts of Citizens
 for TVA, the group organized in Nashville to fight
some of TVA's battles for them in a way that TVA could not? Jennings
Perry was Executive Secretary, or Director, I believe. Nat Caldwell
and Jennings were friends.

MR. GRANGER: You know, that's the first time I've heard that
 name in a number of years, and I remember Jennings.
Of course, I know Nat Caldwell, but I don't have any fresh memory of that.
I do remember that that was their purpose, but I can't remember what they
may have been up to, and I certainly wasn't there.

DR. CRAWFORD: I think it was necessary then for political leaders
 of the area to support TVA. At the present time,
though, TVA has been receiving criticism from Tennesseans in Washington,
from the Governor of Tennessee, and others concerning some of this en-
vironmental practices. The Tellico Dam is a case in point that has been
critized. But this account of Senator Kefauver's interest as early as
1962 is quite interesting. How long were you with Senator Kefauver?

MR. GRANGER: I was with him from the beginning of his campaign
 in May of 1960, until he died on August 10, 1963.
I traveled with him in this country and abroad and knew him fairly in-
timately. I did a good bit of speech writing for him. I was shocked,
of course, when he died, as we all were. As I say, it was the political
thing to do if you expected to get elected in Tennessee, at least on a

state-wide basis, to support TVA, and I think he helped to set that pattern. Of course, you remember he was elected in 1948 . . . No, I guess I'm getting the stories mixed, because Senator Gore came along in 1952, as I recall, or '54, and then ran for the senate against a former senator from Memphis.

DR. CRAWFORD: McKellar.

MR. GRANGER: McKellar, who had been giving David Lilienthal such a hard time when they were originally setting up TVA and the hiring practices.

DR. CRAWFORD: Did you have any contact with, or any information about, McKellar's relations in his last days with TVA?

MR. GRANGER: No, I did not.

DR. CRAWFORD: I think most of the controversial contacts really came earlier, before '48 .

MR. GRANGER: Oh, yes, much earlier.

DR. CRAWFORD: While we are at this point, can we get a little information about the appearance of General Vogel: his appointment, how this was viewed in TVA, what really happened when he arrived, what sort of director he was?

MR. GRANGER: I wasn't covering TVA for the News Sentinel at that time. I think Carson Brewer was, and I

1. The first part of the report is a general introduction to the project.	1. The first part of the report is a general introduction to the project.
2. The second part of the report is a detailed description of the methodology used.	2. The second part of the report is a detailed description of the methodology used.
3. The third part of the report is a presentation of the results of the study.	3. The third part of the report is a presentation of the results of the study.
4. The fourth part of the report is a discussion of the results and their implications.	4. The fourth part of the report is a discussion of the results and their implications.
5. The fifth part of the report is a conclusion and a list of references.	5. The fifth part of the report is a conclusion and a list of references.
6. The sixth part of the report is a list of appendices.	6. The sixth part of the report is a list of appendices.
7. The seventh part of the report is a list of figures and tables.	7. The seventh part of the report is a list of figures and tables.
8. The eighth part of the report is a list of abbreviations.	8. The eighth part of the report is a list of abbreviations.
9. The ninth part of the report is a list of symbols.	9. The ninth part of the report is a list of symbols.
10. The tenth part of the report is a list of footnotes.	10. The tenth part of the report is a list of footnotes.
11. The eleventh part of the report is a list of references.	11. The eleventh part of the report is a list of references.
12. The twelfth part of the report is a list of appendices.	12. The twelfth part of the report is a list of appendices.
13. The thirteenth part of the report is a list of figures and tables.	13. The thirteenth part of the report is a list of figures and tables.
14. The fourteenth part of the report is a list of abbreviations.	14. The fourteenth part of the report is a list of abbreviations.
15. The fifteenth part of the report is a list of symbols.	15. The fifteenth part of the report is a list of symbols.
16. The sixteenth part of the report is a list of footnotes.	16. The sixteenth part of the report is a list of footnotes.
17. The seventeenth part of the report is a list of references.	17. The seventeenth part of the report is a list of references.
18. The eighteenth part of the report is a list of appendices.	18. The eighteenth part of the report is a list of appendices.
19. The nineteenth part of the report is a list of figures and tables.	19. The nineteenth part of the report is a list of figures and tables.
20. The twentieth part of the report is a list of abbreviations.	20. The twentieth part of the report is a list of abbreviations.

think the general feeling was one of suspicion of General Vogel. He had been a military man, had been in the Corps of Engineers. I don't think there was any question of his technical competence as a man who had built dams and dredged rivers and harbors, and so on. The fact that he had been appointed by President Eisenhower suggested that he was a Republican and a conservative in thinking, at least not a democratic liberal.

To the other extreme, there was a lot of question as to whether he would embrace the concept of TVA and carry it on. I remember again, going back to my mentor, Joe Levit, the city editor, saying, "Oh, well he may be a hatchet man, but I've seen it happen time and again. Once a person gets into TVA, or a person who is in a leadership position or maybe coming in with some reservations about TVA, once he gets into it and sees what it really is and how good it is, and the good things it can do and does do, that it's difficult for him to hold any strong reservation against it." If General Vogel, and I don't know that he did, had any reservations about TVA, they certainly passed away, about it being a good concept and all of this. He had some innovative ideas, as I recall, on building a new dam down south, as I remember, of Knoxville in developing the recreational potential of the area. I left Knoxville in 1960 feeling that TVA was still in good hands. Being a military man, I think General Vogel was rather apolitical in a lot of ways.

DR. CRAWFORD: I think perhaps he was. I know many members of TVA did fear that he came as a hatchet man. I think generally opinions about that did change. Do you know when and how they changed?

MR. GRANGER: No, at some point I remember President Eisenhower . . .

Well, you know, TVA's an established fact and that was taken to mean, you know, I'm not going to tamper with it (if indeed he had tampered with it), but wasn't going to destroy it, and I think events since that time have proved that. I do recall, going back to General Vogel as probably an illustration of the high feeling about General Vogel, there was a rumor going around and I think it was published. A report was published that there had been a rather bitter exchange, an acid exchange, between General Vogel and Dr. Harry Curtis during one of the board meetings insofar as the General ordering Dr. Curtis to sit down or shut up, or something of this sort, but feelings got pretty high at that point. I remember Dr. Curtis was liberal in his outlook. He was an agricultural man by profession, but he had a strong influence on maintaining a carry-over from Clapp to Vogel, and he was a real anchor in that period.

I think it was a thing that, even when A. R. Jones came in, he was treated with some suspicion. He had been in the Budget Bureau and so forth. But like in any communication between people, once they get down and talk to each other(they are very reasonable people and logical

people and human beings) they just find that they can agree in a number of areas. I think that's what happened. The people who believed strongly in TVA, who were ready to lay down their lives for it, so to speak, realized that these people were not all hatchet men or out to do harm to what was a good thing.

DR. CRAWFORD: At any rate, I'm convinced that when General Vogel left TVA, he was a confirmed supporter of it.

MR. GRANGER: Oh, no question about it. I don't think there's any question about it. There are so many things, as I said. The electrical conspiracy thing was a mark of a man's character and dedication to the best interests of TVA. I had the feeling that one thing that may have agitated him a little was the fact that . . .

I think the chairman at that time was paid about \$20,000 a year or \$20,500 (he was paid \$500 a year more than the other members of the board), but one thing that had him upset was recognizing that these companies were making terrific salaries and there he was trying to keep costs down. (Laughter) And he was paid well under what some of these corporate executives were being paid. I think this rather touched him in the pocketbook. He had maybe some personal feeling against him, I don't know.

DR. CRAWFORD: Did you get acquainted with General Vogel personally?

MR. GRANGER: Yes, not intimately. We just had an acquaintanceship,

you might say. I guess I got to know him better than any other chairman. Of course, it only spanned two chairmanships when I was there. I didn't know Clapp very well. I had the feeling that Gordon Clapp was, and this was only a feeling, a kind of ivory-tower thinker man. He was the long-range thinker type of person. I think General Vogel had some of this, but I think he was more of an operating man. That is my impression, and I had more contact with General Vogel simply because of the fact that I was assigned to TVA at that time and I got to know him. We were working on things of common interest; this electrical conspiracy thing was one of them.

DR. CRAWFORD: Were you acquainted with A. R. Jones?

MR. GRANGER: Yes, pretty well acquainted with him. I'd see him in his office and talk about the bond thing, and the flowing of bonds, and what it was going to do, and I got pretty good stories out of him.

DR. CRAWFORD: What sort of leadership did you, as a newsman, think that he brought TVA?

MR. GRANGER: Well, I'd have to answer that in the context of the time that he came there. He came at a time when TVA was having to go into the commercial bond market. He was the right man for the right job at the right . . . He was a man who seemed, first, competent to do the job that was necessary to do at that time and

I think by the time the TVA decided that they had to go commercial, they felt like they had the right man for the job; and that was the extent of it. I don't know that he participated in any basic long-range philosophically-based plans or anything like that.

DR. CRAWFORD: Of course, Gordon Clapp's connection was different, I suppose, in that he had been with TVA from the very early period, had seen it developed, had worked as Personnel Director, then as General Manager, then was on the Board.

MR. GRANGER: Yes, and in addition to Dr. Curtis, another good carry-over person was Red Wagner, the TVA General Manager. I think that he was a carry-over in that position from Clapp to Vogel.

DR. CRAWFORD: And, he too had grown up with the agency?

MR. GRANGER: Right, but my impression of him was that he still strongly believed in the purposes of TVA, but got along with General Vogel, I believe.



THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY." THE PLACE IS WASHINGTON, D. C. THE DATE IS APRIL 7, 1972, AND THIS IS INTERVIEW NUMBER THREE WITH MR. JULIAN GRANGER. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Mr. Granger, let's get into several things concerning the Tennessee Valley Authority in whatever arrangement you wish. I'd like, for one thing, to deal with the matter of esprit or loyalty that you found in TVA and also TVA's relations with the press.

MR. GRANGER: It's hard to put into words this sense of esprit, and it's based on my contact, I suppose, with the rather limited people that I came into contact with in TVA, but it did run something of a gamut. I was in touch more, I suppose, with the Public Relations and Public Information people; to some extent with the management people at the top and lower levels. I remember living next door to a man in the agricultural end who really demonstrated-- we demonstrated together--what a great job TVA had done in developing new fertilizers. We both plowed up our lawns and sowed the right mixture and put some of the fertilizers down that TVA had taught people to use properly then. In fact, I can remember my neighbor bringing home

a bottle of some new liquid fertilizer that TVA had developed, and he spelled his name in the grass with it. It came up that way. (Laughter) But there was never any deviation in the goals in talking to people. They were very interested, of course, in all the resource development, and they could see the evidences of what they were trying to do in terms of the beautiful lakes and the beautiful dams and the beautiful recreation areas, and they were constantly thinking of ways to explore new by-products of this resource development.

I remember how TVA probably was more instrumental in getting a boating industry going there, a recreation industry going. Boating became a very big thing on the TVA rivers and lakes. Even people who may have grudgingly accepted TVA in the beginning began to realize that their own pocketbooks would fatten because of the things that were happening: new plants growing up, lured there no doubt by the lower electrical rates. But even there, you know, it wasn't just allowing industry to come in pell-mell. I won't say "allowing," but at least TVA had a Planning Department, people who were excellent planners and who would help industries to plan well, to landscape, to provide transportation, and these kinds of things. It was almost an ideal mimic type of thing, and this is the type of thing that an organization really survives on and grows on. The willingness to have new ideas and to allow them to come forward, and I think that was the thing that was probably at the bottom of this

esprit. I can't really think of any examples of it. Mostly this was just a gut feeling I had.

You did have a feeling that in an area that was largely simple existence, you had this group of real professionals there. It was something of an oasis because my first impression of Knoxville when I went there was that you had a high-income group, you had a low-income group. The middle-income group wasn't really that well developed. If it was there, it was in the university community and it was in the TVA community, and you didn't feel that . . . I don't know; maybe I'm wrong on this, but I had the feeling the university community was set apart somehow and wasn't integrated with the total community, and there was constant suspicion between the two. But TVA people were involved in things locally. They didn't involve themselves for business reasons or anything else. I think they felt like they ought to be part of the community. A number of people who worked in Knoxville lived out in Norris, a very pleasant little town, one of the few planned communities of the early day. I believe Lilienthal had lived out there at one time, and to that extent they were isolated. But I don't know, the esprit thing was just something you felt and when you talked to a TVA person, He believed in the organization and believed in what it was doing, more believed in what it was doing, I think, than just the existence of the organization and the existence of the job. The contrast you see more

clearly up here in Washington where you see so many people who are in very, very dull jobs. I can remember my experience when I was at the White House in the Food for Peace Program, coming in contact with people who worked for a number of agencies: agriculture, AID, the main ones that I remember. The heavy bureaucracy, I would call the dead hand of bureaucracy, operating all the time in there, and people who were talking a different language, really. You know, Washington is a strange place, with many different languages. Everybody speaks English, but if you work in the Division for Dairying or whatever over there, you've got a particular way of talking than somebody outside. And if you walk into a meeting, you're not even sure of the terms they are using. The same thing is in the defense industry. They are speaking in acronyms all the time: MIRV, C5A, and things that are not altogether known, so if you don't pick up on the lingo, you're lost. (Laughter) But anyway, that's getting off my point.

I do see that there are a lot of people in Washington who are living for their retirement day, and working for the federal government, if you work for them long enough, you'll get a pension. Then, in addition, you have to go through so many levels in a bureaucracy to have an idea reach the attention of the person who is going to have to finally decide on it. I didn't have that feeling about TVA. I felt that there was a good channel, and everyone sort of had a channel to get an idea up to the top. Good ideas were accepted, and bad ones, I'm sure, were re-

jected. I'm sure in the thing that I was intimately involved with, the identical bidding problem, that this had to be a joint decision of the management and of the publicity people, the procurement people, and so on. Apparently they all agreed that it needed to get out, and the story needed to be told somehow, and it was accomplished. I think that if I had not noticed that thing, it would have come out some other way. I have the feeling TVA was determined to get this out under the public scrutiny.

DR. CRAWFORD: And you had the feeling throughout the TVA that employees generally enjoyed their work, believed in what they were doing?

MR. GRANGER: Yes, indeed, I really did.

DR. CRAWFORD: Did you find that at different levels of the agency as far as you knew?

MR. GRANGER: Yes, I think so. As I said, I was limited in a lot of my contacts, but you would find it out in a remote steam plant or you would find it at a secretarial level. I know the secretary in Paul Evans' office was as well informed as anybody on the top professional staff in that office about TVA, and could advocate on behalf of TVA as well as anybody. She had been there a number of years, that's true.

DR. CRAWFORD: I have found that among TVA employees, I think,

at about all levels. Is that unusual for a governmental agency?

MR. GRANGER: I don't know. I've been thrown with governmental agencies more here in Washington, and this is not a typical town to make a judgment because this town's biggest industry is government, so you don't have anything to compare it to. But I think most people who work for the federal government in cities like Knoxville or somewhere else are usually well respected people, and I've found this true of TVA. Rarely did you find a TVA employee popping into the news in some scandal situation, for example, and a lot of Knoxville enjoyed a good scandal, I remember.

DR. CRAWFORD: To get to the matter of TVA's acceptance by the press, what impressions did you get about that initially, and then what impressions did you have as you left Knoxville?

MR. GRANGER: Well, I was aware of the two poles of feeling about TVA, best reflected in the newspapers--between the Knoxville News Sentinel, which is an independent paper, generally favored Democratic viewpoint except in national elections during the time I was there, and the Knoxville Journal, which was admittedly--I don't think there was any dispute about it being conservative Republican. And I was very aware that the Journal had fought TVA in the early days on the grounds of taking away land from farmers, to flood the land, create dams and so

forth; and some of this was still around in the Journal at the time I came there in 1948. And I think, to a certain extent, as always happens, both papers reflect the community viewpoint or the community division, and that they helped to create viewpoint. But on the whole I found a general acceptance of TVA out in the public--enlightened businessmen certainly saw the advantages of it. They would say so privately, if not publicly. At the time I came, I don't recall that it was altogether politically correct to support TVA all the time, although I think this began to change (and again, I'm going from my own experience) a little bit with the election of Howard Baker, Sr. to Congress. He had been a prosecutor up in Scott County, Tennessee, up in the coal country, and he was elected by the conservative Republican group. He deposed a Knoxville congressman, I believe, who had been more on the liberal Republican side, who had supported TVA, but was the target of a lot of attacks by the Journal, whose editor was the state Republican chairman, Guy Smith.

I began to detect this change coming about with Baker's election to Congress, and I can't pinpoint that time. It was about the early fifties, I believe, when he was elected. And he not only supported TVA, but he began to see some advantages in getting TVA up in his area: a new dam, for example, that would not only provide work for what was then the decaying Appalachia, so TVA was being accepted then as a generator of jobs, and this kind of thing. If people had any ideological

feelings against it, they were submerged--you know, the idea that TVA could help improve jobs. I do remember too that Gordon Clapp was looked on as something of a socialist, and that was a feeling that I remember there. Of course, that was an era when socialism, communism, and so forth were being tossed around and evoking a lot of emotionalism. So those are my impressions of that.

DR. CRAWFORD: How was this good public image achieved? Did it just happen, or did TVA work at it?

MR. GRANGER: Oh, I think TVA worked at it. I've already cited the map, showing the concentric circles with the rates. This kind of an economic idea was pounded home. When we were getting into the public relations area, I remember studies that were made to show that because the people in the TVA area were using more electricity, therefore they were needing more appliances; and appliances that were manufactured in Michigan or New York, or places outside the TVA area--that everyone benefited, and they worked at this kind of thing. Yes, they worked at it. I can just remember studies and reports of studies, so on, that were made. TVA worked at having its impact felt. They did a study, I remember, reporting on the danger of flooding in Gatlinburg, Tennessee, a study of the low bridges which would become bottlenecks for flood waters along where that little prong of the Pidgeon River is up there. It was quite a dramatic type of thing be-

cause here was Gatlinburg whose livelihood was resort and tourism.

Whether anything has developed out of that, I'm sure some things have, but TVA had impact in terms of studying flood plains, and simple things like warning people or government bodies not to allow housing to be erected here or there because it might be in danger of floods. I think it was altogether just the Public Information Office. There were some things that they did that directly affected local communities.

DR. CRAWFORD: Did you feel that good public relations was not just the concern of the Public Information Office, but of TVA's management? Or were they even concerned with it? Was it just based on what TVA did?

MR. GRANGER: You know, I think there can be two kinds of public relations, at least two. You can have what you call "puff" public relations, which is based on a kind of meringue type of consistency stuff. That's poorly put. Or you can have something that's based on something that's sound and reasonable. I never had the feeling that their public relations was based on anything but sound things. You know, I think even the map of the concentric circles is a good example. Sure, somebody could say this is Madison Avenue, and yet it's really telling the public what is a fact, and these were not any disputed figures. I'm sure they were well founded. Like any good public information man, you try to put the best face on things; you try to put your best

foot forward. I think these people did that. The public information people did that out of their dedication--not only were blind to things that were wrong perhaps within their own organization, but blind to go on and accept this one instance that I am acquainted with. For awhile there, they were resisting the effort to control strip mining, at least the erosion from it. But again, I never had the feeling that things were poorly studied in TVA.

DR. CRAWFORD: In contacting TVA for information about a story, do you feel you could generally depend on the information you were given?

MR. GRANGER: Yes, I think so. I don't have any memory of anything. I remember contacting TVA on a lot of middling things that were generated by the morning papers that I had to match or had to get a better story on or something, but we were both kind of frustrated that we had to deal with it, especially if it was kind of throwing off on TVA. If I really wanted to get into something, I could get into it, and I got total cooperation.

DR. CRAWFORD: You had no opposition, then, in checking anything about TVA?

MR. GRANGER: I don't recall that I did. I think had I, I would have gone around the Public Information Office, and I was not stopped from doing this, as I recall. I do remember at the University of Tennessee that there was a Public Information Office

and that office tried to have a news management type of things in that they did not want you to go around them and go to some individual. And I refused to do that. We objected really, as reporters, to not being able to attend University Board meetings, especially during the period when I was covering the university on this integration thing. I'm pretty sure we got some misinformation from one of those stories, or later we had to dig it out to find that things were not as we had been told. At the same time, I must admit I didn't make the same objection to TVA about covering their Board meetings.

DR. CRAWFORD: Were they closed to the press?

MR. GRANGER: I believe they were, yes.

DR. CRAWFORD: But you felt that the news you were given by TVA was adequate?

MR. GRANGER: Yes. Whether it was complete or not, you know, no one can say without having been there, so I can't say that I was really given complete information. I think at any institution you have a certain element of news management.

DR. CRAWFORD: So far as you know, how did other newspapermen throughout the valley area feel about TVA?

MR. GRANGER: As far as I know, it was a good feeling. The Nashville papers, particularly the Tennessean, were certainly favorable to TVA, at least its purposes. The Memphis

paper, I believe, was also. That's as far as my acquaintanceship went, I guess. I don't know too much about Alabama, Georgia, and Mississippi, where TVA also is. The influence of TVA public information programs and policies was rather widely felt. I think they had supporters at papers such as the New York Times and Washington Post. The St. Louis Dispatch was with them on a number of issues. Within my limited knowledge, I'd say it was accepted. I remember reading one good account of TVA in the New York Times by an R. L. Dufus, his name was, coming up on whatever anniversary it was, 25th anniversary, I think.

DR. CRAWFORD: That would have been '58 approximately.

MR. GRANGER: I believe it was, yes. And the public information thing really got cranked up at that time. I do remember that there was a huge package of material that was put out to the press from TVA at that time. You know, they had really gone to work and put together a great deal of information on TVA. Again, I think it was all pretty "best foot forward" type of stuff, and that's what you'd expect.

DR. CRAWFORD: Yes. You had no reason to question the accuracy of the information you were given by TVA though?

MR. GRANGER: No, I guess I was never in a position where I was at issue with TVA. That's the answer, I think.

DR. CRAWFORD: Did you feel that people in TVA understood newspapermen, understood journalism, were concerned with

getting information to you?

MR. GRANGER: Yes, yes, I think so.

DR. CRAWFORD: What else about TVA impressed you? What things have we not covered, Mr. Granger?

MR. GRANGER: Will you stop a minute and let me think?

DR. CRAWFORD: Certainly, Mr. Granger, if someone accused you of being the person responsible for the electrical conspiracy case being made public and the subsequent investigations resulting from it, could you deny that?

MR. GRANGER: No, I wouldn't call it an accusation. I'm rather proud of that. (Laughter) I try to be objective with myself, if you can do that. I ask myself what I did have to do with it.

DR. CRAWFORD: Someone else may have discovered it; however, they had from Saturday until Wednesday, so I guess they did not. And of course, TVA might have pushed the matter until someone did notice it, but at any rate you were the one who did catch it.

MR. GRANGER: Well, I'm proud of it, and I think it goes to the heart of so much that's involved with the relationship between business and government and consumerism and trusted government, and all sorts of things. Ordinarily you don't find too much motivation on the part of government to go after business or big business or

something like this. And I think it took a good deal of courage for TVA to want to spring this. They were directly and financially involved in the thing, it's true, but I think the attention that they helped to focus on this whole problem was healthy. At least, you know, it stopped some of the things that were just getting out of hand.

DR. CRAWFORD: Thank you very much for the information about this.







